

REMARKS

This is intended as a full and complete response to the Final Office Action dated October 14, 2004, having a shortened statutory period for response set to expire on January 14, 2005. Please reconsider the claims pending in the application for reasons discussed below.

Claims 1-3, 9, 13-29, and 32-46 remain pending in the application and are shown above. Claims 4-8, 10-12, and 30-31 were previously canceled without prejudice by Applicant. Claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46 are rejected, while claims 18-23, 26, 32-33, and 43-44 are indicated to be allowable by the Examiner. Reconsideration of the rejected claims is requested for reasons presented below.

Claims 1-3, 9, 13-14, 28, and 34-42 stand rejected under 35 USC § 103(a) as unpatentable over *Evans et al.* (U.S. Patent Number 3,844,345) in view of *Castano-Mears et al.* (U.S. Patent Number 6,457,518). Claims 15-17, 24-25, 27, 29, and 45-46 stand rejected under 35 U.S.C. § 103(a) as unpatentable over *Castano-Mears et al.* in view of *Evans et al.*

Regarding claims 1-3, 9, 13-14, 28, and 34-42, the Examiner states that *Evans et al.* discloses an encapsulation (designated by letter A) for downhole protection of control lines, the encapsulation comprising an elastomeric crescent-shaped sheath (designated by number 14) which envelops two metal tubulars (designated by numbers 12 and 13) which serve as fluid control lines. The Examiner then states that the sheath 14 of *Evans et al.* possesses a first arcuate wall and a second wall connected to form the line housing. The Examiner further states that the sheath 14 of *Evans et al.* is capable of deforming to a complimentary contour to the outside surface of the production tubing B due to the presence of a notch (designated by number 20). The Examiner acknowledges that *Evans et al.* fails to disclose disposing the encapsulation A between an expandable tubular and the wellbore. To disclose this concept, the Examiner refers to *Castano-Mears et al.*, stating that *Castano-Mears et al.* teaches in Figures 5-7 an expandable well screen (designated by number 60) possessing a perforated base pipe and a filter media (designated by number 66) enveloping the base pipe. Further, the Examiner states that connectors (designated by number 72) are employed to connect

the filter media 66 and that *Castano-Mears et al.* teaches placing communication lines (designated by number 74) externally of the connectors 72. The Examiner then concludes that it would have been obvious to one of ordinary skill in the art to dispose the encapsulation A of *Evans et al.* between the outer surface of the tubular body of *Castano-Mears et al.* and the wellbore to encapsulate the external lines of *Castano-Mears et al.* to protect the lines from inhospitable wellbore conditions.

Regarding claims 15-17, 24-25, 27, 29, and 45-46, the Examiner again states that *Castano-Mears et al.* teaches in Figures 5-7 an expandable well screen (designated by number 60) possessing a perforated base pipe and a filter media (designated by number 66) enveloping the base pipe. Also, the Examiner again states that connectors (designated by number 72) are employed to connect the filter media 66 and that *Castano-Mears et al.* teaches placing communication lines (designated by number 74) externally of the connectors 72. Acknowledging that *Castano-Mears et al.* does not disclose the use of an encapsulation to serve as a communication line 74 housing, the Examiner utilizes *Evans et al.* to disclose an encapsulation (designated by letter A) for downhole protection of control lines. Finally, the Examiner concludes that it would have been obvious to one of ordinary skill in the art to position the external lines of *Castano-Mears et al.* within the encapsulation of *Evans et al.* to protect the lines from inhospitable wellbore conditions.

Applicant respectfully traverses the rejections of claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46. Specifically, Applicant respectfully traverses the combining of *Castano-Mears et al.* and *Evans et al.* to form the obviousness rejections of claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46 for the following reasons.

First, Applicant submits that the Examiner has not established a *prima facie* case of obviousness because of failing to meet the requirement of some suggestion or motivation to combine the teachings in the references. The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. See *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990). Although a prior art device may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the references to do so. See *id.* at 682. The teaching or suggestion to make the claimed

combination must be found in the prior art, not in the applicant's disclosure. See *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991). Specifically, *Evans et al.* does not suggest using expandable tubing in place of the production tubing. Furthermore, *Castano-Mears et al.* does not suggest using a protective encapsulation around the communication lines 74. Therefore, there is no motivation in *Castano-Mears et al.* or *Evans et al.* to combine these features to form the apparatuses and methods recited in claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46. Accordingly, Applicant respectfully requests removal of the rejections to these claims.

Second, even if a *prima facie* case of obviousness is considered established by the Examiner, Applicant rebuts the *prima facie* case of obviousness because the prior art teaches away from the claimed invention. Specifically, *Evans et al.* teaches expanding a packer E surrounding a sheath 14 having control lines therein, the sheath 14 located around production tubing B, through an annular region R located between the wellbore wall and the production tubing B and into the sheath 14. See *Evans et al.* at col. 3 Ins. 49-67. The sheath 14 of *Evans et al.* is shaped and configured to maintain the control line A adjacent to the production tubing B when the packer E is expanded into the sheath 14 and to prevent movement of the control lines into the annulus R between the production tubing B and the wellbore. See *id.* at col. 3 Ins. 39-48. Thus, *Evans et al.* teaches away from expanding the encapsulation or control line into the annulus between the tubing and the wellbore and further teaches away from replacing the production tubing with expandable tubing for expanding into the annulus. Accordingly, *Evans et al.* teaches away from combining the expanding and expandable tubing concepts of *Castano-Mears et al.* with the encapsulation of *Evans et al.* to form the apparatuses and methods recited in claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46. Because *Evans et al.* teaches away from the combination of these references, it is improper to combine the references for the obviousness rejection. See *In re Grasselli*, 713 F.2d 731, 743 (Fed. Cir. 1983). For this reason, Applicant therefore respectfully requests removal of the rejections to these claims.

Finally, Applicant submits that *Evans et al.* and *Castano-Mears et al.* cannot be combined because the suggested combination of the references would require a substantial reconstruction and redesign of the elements shown in *Evans et al.* as well as

a change in the basic principle under which the *Evans et al.* device was designed to operate. As stated above, the sheath 14 of *Evans et al.* is constructed to maintain the sheath 14 and fluid control lines therein adjacent to the production tubing B as well as to prevent movement of the control lines into the annulus R. The sheath 14 is mounted on the production tubing B by a strap or clamp 10, as shown in Figures 1 and 2 of *Evans et al.* See *Evans et al.* at col. 3 Ins. 13-15. Referring to Figures 1 and 2, the clamp 10 surrounds the production tubing B and the outer surface 15 of the sheath 14. A basic principle under which the device of *Evans et al.* was designed to operate is that the sheath 14 is maintained adjacent to the production tubing B and does not move into the annulus R. Substituting expandable tubing for the production tubing B and expanding the expandable tubing to move the control lines and sheath 14 through the annulus therefore changes the basic principle under which the device of *Evans et al.* was designed to operate; accordingly, for this reason, Applicant submits that the references of *Castano-Mears et al.* and *Evans et al.* cannot be combined in obviousness rejections of claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46.

Furthermore, the presence of the clamp 10 as the mounting means for the sheath 14 to the production tubing B presents additional problems in combining *Castano-Mears et al.* with *Evans et al.* When substituting the expandable tubing for the production tubing B of *Evans et al.* and expanding the expandable tubing, there is no indication in *Evans et al.* that the clamp 10 would allow the sheath 14 to expand through the annulus without the clamp 10 breaking. An unexpandable clamp 10 could cause the expanded tubing to squeeze the sheath 14 against a structurally rigid clamp 10 and possibly crush the control lines within the sheath 14. Alternatively, a broken clamp 10 would destroy the attachment between the sheath 14 and the tubing. Because the suggested combination of *Evans et al.* and *Castano-Mears et al.* would require a substantial reconstruction and redesign of the elements in *Evans et al.*, Applicant respectfully submits that the combination of the references to form obviousness rejections of claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46 is improper. Therefore, Applicant respectfully requests removal of the rejections to these claims.

Because of all of the above reasons, specifically because Applicant submits that the combination of *Castano-Mears et al.* and *Evans et al.* is improper for the above

reasons, Applicant respectfully requests removal of the rejections to claims 1-3, 9, 13-17, 24-25, 27-29, 24-42, and 45-46. Applicant further requests allowance of these claims.

In conclusion, the references cited by the Examiner, alone or in combination, do not teach, show, or suggest the invention as claimed. Having addressed all issues set out in the Final Office Action, Applicant respectfully submits that the claims are in condition for allowance and respectfully requests allowance of the claims.

Respectfully submitted,

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